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8 Attorneys for the United States of America

9
10 UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
11 EASTERN DIVISION

12 UNITED STATES OF AMERICA)

13 Plaintiff,)

14 vs.)

15 MICHAEL STOUT; CHRISTINE)
STOUT; WORLD SAVINGS BANK,)
a federal savings bank; STATE)
16 FINANCIAL CORPORATION; THE)
STATE OF CALIFORNIA,)
17 FRANCHISE TAX BOARD; THE)
COUNTY OF RIVERSIDE; IRENEO)
18 MARQUEZ; KIRLEY)
CORPORATION, INC.; and L.A.)
19 COMMERCIAL GROUP,)

20 Defendants.)

Case No.: ED CV 07-00530
VAP(OPx)

JUDGMENT REGARDING
COUNT II OF THE UNITED
STATES OF AMERICA'S
COMPLAINT

21 Based on the stipulation of the United States of America, Plaintiff, and
22 Michael Stout and Christine Stout, Defendants,

23 IT IS ORDERED:

24 1. Unless the United States files a notice of payment as specified in
25 paragraph 7 of the stipulation on or before the 180th day after the entry of this
26 judgment, the property located at 22535 San Joaquin Drive West, Canyon Lake,
27 California 92587, and legally described as:
28

1 Lot 268 of Tract 3718, in the City of Canyon Lake, County of Riverside,
2 State of California, as shown by the map on file in Book 59, Pages 19 to 30
3 of Maps, Records of Riverside County, California

4 is ordered to be sold by the Area Director of the Internal Revenue Service whose
5 district includes Riverside County, California, or his delegate, in accordance with
6 the provisions of Title 28, United States Code, Sections 2001 and 2002.

7 2. Any party to this proceeding or any person claiming an interest in the
8 subject real property may request that the Court order a private sale of the subject
9 real property pursuant to Title 28, United States Code, Section 2001(b). Any such
10 motion shall be filed not earlier than the 180th day and not later than the 200th day
11 after entry of this judgment. No such motion arising under the United States'
12 cause of action can be filed under Section 2001(b) if the United States files a notice
13 of payment within the 180-day period following entry of this judgment. Any
14 motion under Section 2001(b) shall set forth with particularity (a) the nature of the
15 moving party's interest in the subject real property, (b) the reasons why the moving
16 party believes that a private sale would be in the best interests of the United States
17 of America and any other claimant involved herein, (c) the names of three
18 proposed appraisers and a short statement of their qualifications, and (d) a
19 proposed form of order stating the terms and conditions of the private sale.

20 3. The Area Director, or his delegate, is ordered to sell the subject real
21 property if it does not become the subject of a motion pursuant to the preceding
22 paragraph, in accordance with Title 28, United States Code, Sections 2001(a) and
23 2002, after the 180th day after this judgment is entered, unless the United States
24 has filed a notice of payment, which would automatically deprive the Area Director
25 of the authority to sell the subject real property. The subject real property shall be
26 sold at a public sale to be held at the Riverside County Courthouse, Santa Ana,
27 California, as follows:

28 a. Notice of the sale shall be published once a week for at least four weeks

1 prior to the sale in at least one newspaper regularly issued and of general
2 circulation in Riverside County, California. The notice shall describe the
3 property by its street address and legal description, and shall contain the
4 terms and conditions of sale as set out herein.

5 b. The terms and conditions of sale shall be as follows:

6 A minimum bid determined by reference to the current fair market
7 value shall be required. The minimum bid shall be 75% of the current fair
8 market value as determined by an appraisal of the subject property by the
9 Internal Revenue Service. The United States of America may bid a credit
10 against its liens and interest thereon, costs, and expenses, without tender of
11 cash. The terms of sale as to all other persons or parties bidding shall be
12 cash. The successful bidder shall be required to deposit with the Area
13 Director cash equal to twenty percent of the bidder's total bid immediately
14 upon the property being struck off and awarded to such bidder as the highest
15 and best bidder; and the remaining eighty percent of said purchase price is to
16 be paid on or before 5:00 p.m., within three days of the date of sale. Should
17 any person bid off the property at the sale by virtue of this judgment and
18 order of sale, and fail to comply with the terms of the sale, such bidder shall
19 be liable to the United States for twenty percent of the value of the property
20 thus bid off as a penalty, and said deposit shall be paid over and delivered to
21 the United States to be applied toward payment of said penalty, but payment
22 of said penalty shall not be a credit against the liens of the United States.

23 c. Upon selling the subject real property, the Area Director, or his delegate,
24 shall prepare and file with this Court an accounting and report of sale and
25 shall give to the purchaser a certificate of sale containing the description of
26 the property sold and the price paid. The accounting and report of sale shall
27 be filed within ten days from the date of sale. If no objections have been
28 filed in writing in this cause with the Clerk of the Court, within fifteen days

1 of the date of sale, the sale shall be confirmed without necessity of motion,
2 and the Area Director shall be directed by the Clerk of the Court to execute
3 and deliver his deed to said purchaser.

4 d. Possession of the property sold shall be yielded to the purchaser upon the
5 production of the certificate of sale and deed; and if there is a refusal to so
6 yield, a writ of assistance may, without further notice, be issued by the Clerk
7 of this Court to compel delivery of the property sold to the purchaser.

8 e. The Area Director shall apply the proceeds of sale to expenses of sale and
9 then in the following order of priorities:

10 (1) First, to the Riverside County Tax Collector toward satisfaction of any
11 outstanding real property tax liens;

12 (2) Second, if any surplus remains, to World Savings Bank, toward
13 satisfaction of its security interest in the sold property;

14 (3) Third, if any surplus remains, one-half to Christine Stout and one-half to
15 the United States toward satisfaction of its security interest in the sold
16 property.

17 If any surplus remains, the Area Director, or his delegate shall so
18 report and deposit the surplus into the registry of this Court for distribution
19 under further order of the Court.

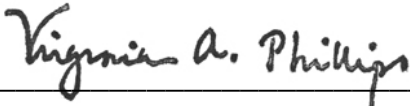
20 4. The Court retains jurisdiction of this action for the purpose of making
21 proper distribution of any surplus of the proceeds of sale, and resolving dispute, if
22 any, pursuant to the Area Director's accounting and report of sale.

23 5. In the period after entry of this judgment but before the Internal
24 Revenue Service has authority to sell the subject real property, Defendants Michael
25 Stout and Christine Stout will maintain the subject real property in good condition,
26 and will timely pay all real property taxes, mortgage payments, homeowners
27 association dues (if any), and homeowners insurance premiums. Further
28 Defendants Michael Stout and Christine Stout have a duty to prevent waste or

1 damage to the property during this period. Failure to comply with any of these
2 requirements could result, after application to the Court by the United States, in a
3 further order permitting the Internal Revenue Service to immediately sell the
4 subject real property before the expiration of the 180-day period.

5
6 IT IS SO ORDERED.

7
8 Dated: March 4, 2008


9 VIRGINIA A. PHILLIPS
10 UNITED STATES DISTRICT JUDGE

11
12 Presented by:

13 THOMAS P. O'BRIEN
14 United States Attorney
15 SANDRA R. BROWN
16 Assistant United States Attorney
17 Chief, Tax Division

_____/s/_____/Dated: 2/29/08

MICHAEL STOUT, Defendant

_____/s/_____/Dated: _____

_____/s/_____/Dated: 2/29/08

17 ANDREW PRIBE
18 Assistant United States Attorney

CHRISTINE STOUT, Defendant

19 Attorneys for Plaintiffs
20 United States of America

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27 PROOF OF SERVICE BY MAILING
28

1 I am over the age of 18 and not a party to the within action. I
2 am employed by the Office of the United States Attorney, Central
3 District of California. My business address is 300 North Los Angeles
4 Street, Suite 7211, Los Angeles, California 90012.

5 On March 5, 2008, I served

6 **(PROPOSED) JUDGMENT REGARDING COUNT II OF THE UNITED STATES OF**
7 **AMERICA'S COMPLAINT**

8 on each person or entity name below by enclosing a copy in an envelope
9 addressed as shown below and placing the envelope for collection and
10 mailing on the date and at the place shown below following our
11 ordinary office practices. I am readily familiar with the practice of
12 this office for collection and processing correspondence for mailing.
13 On the same day that correspondence is placed for collection and
14 mailing, it is deposited in the ordinary course of business with the
15 United States Postal Service in a sealed envelope with postage fully
16 prepaid. Date of mailing: March 5, 2008

17
18 Place of mailing: Los Angeles, California

19 **See attached list**

20 I declare under penalty of perjury under the laws of the United States
21 of America that the foregoing is true and correct.

22 I declare that I am employed in the office of a member of the bar
23 of this court at whose direction the service was made.

24 Executed on: March 5, 2008, Los Angeles, California.

25
26 _____ /s/

27 **Barbara Le**

28 **RE: UNITED STATES OF AMERICA v. MICHAEL & CHRISTINE**

